

Incentives for the Rehabilitation of Historic Buildings

Federal Tax Credits = 20% of qualifying expenses

- Income producing – retail, rental housing, commercial space
- Substantial rehabilitation test
- Eligible for listing in the National Register of Historic Places
- Must maintain ownership for five years

State Tax Credits = 25% of qualifying expenses

- Income producing, non-profits, local governments, and private residences.
- Can be combined with the Federal Tax Credits
- Transferable to other taxpayers

**All work must meet the Secretary of the Interior's
*Standards for Rehabilitation.***



Federal Tax Credit Statistics

Since 1989 over \$66 million has been invested in Kansas rehabilitation projects claiming the Federal 20% tax credits.



This investment has created:

- over 2800 new jobs,
- \$136 million in gross domestic product,
- and over \$12 million in local and state taxes.*

*Preservation Economic Impact Model prepared
by Rutgers for NPS and NCPTT 2000



Kansas State Tax Credits Statistics

Since 2001, investment in projects utilizing the Kansas State Rehabilitation Tax Credits has totaled over \$58 million.



This investment has created:

- **over 2400 jobs,**
- **nearly \$120 million in gross domestic product,**
- **and \$10,618,631.00 in local and state taxes.***

*Preservation Economic Impact Model prepared
by Rutgers for NPS and NCPTT 2000



Eligible Rehabilitation Expenses

- Walls
- Partitions
- Floors
- Ceilings
- Fire escapes
- Sprinkling systems
- Roofing
- Carpeting (if glued down)
- Plumbing and plumbing fixtures
- Reasonable developer fees
- Doors
- Windows
- Stairs
- Chimneys



- **Escalators and elevators (within the existing building)**
- **Engineering fees**
- **Construction period interest and taxes**
- **Architect fees**
- **Permanent coverings such as paneling or tiling**
- **Electrical wiring and lighting fixtures**
- **Components of central air conditioning or heating systems**
- **Construction management costs**
- **Any fees paid that would normally be charged to a capital account**
- **Other components related to the operation or maintenance of the building**



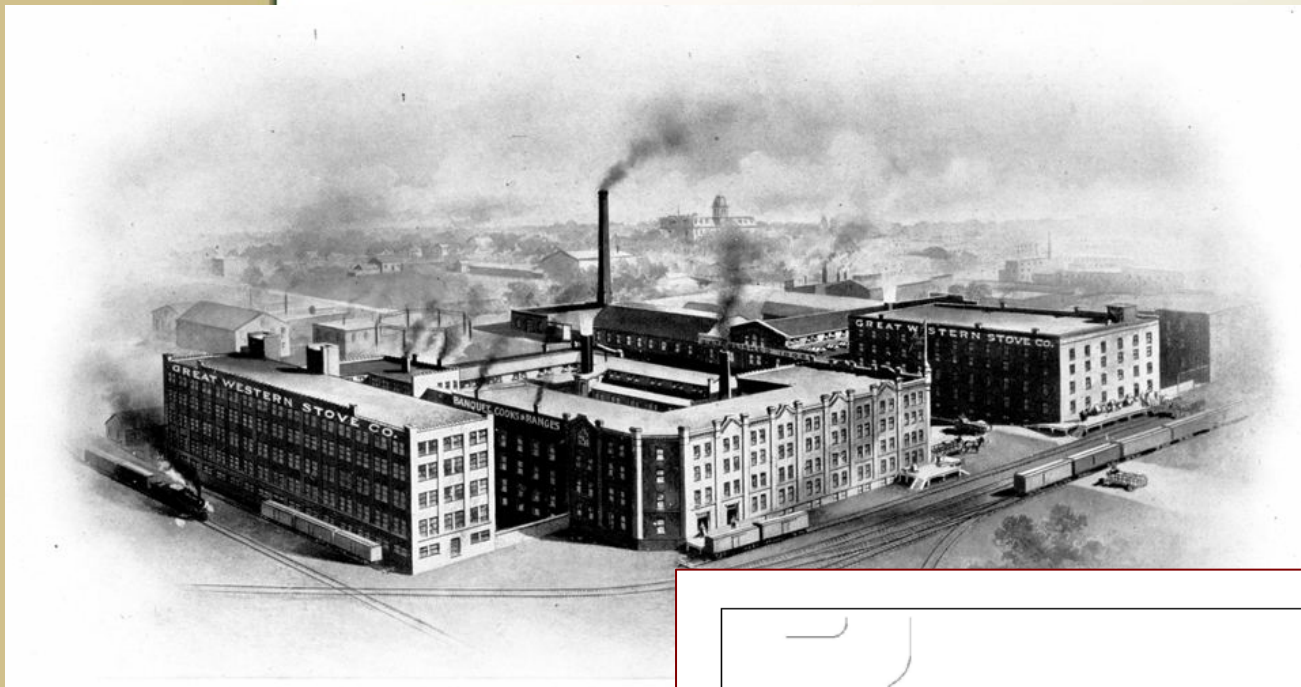
Three-part application process

Part 1 – Confirm that the building is a certified historic structure individually or is a contributor to a certified historic district. Must accompany general photos of building.

Part 2 – Scope of Work. Outline of building's current conditions and project work items. Must accompany photos and drawings illustrating proposed work.

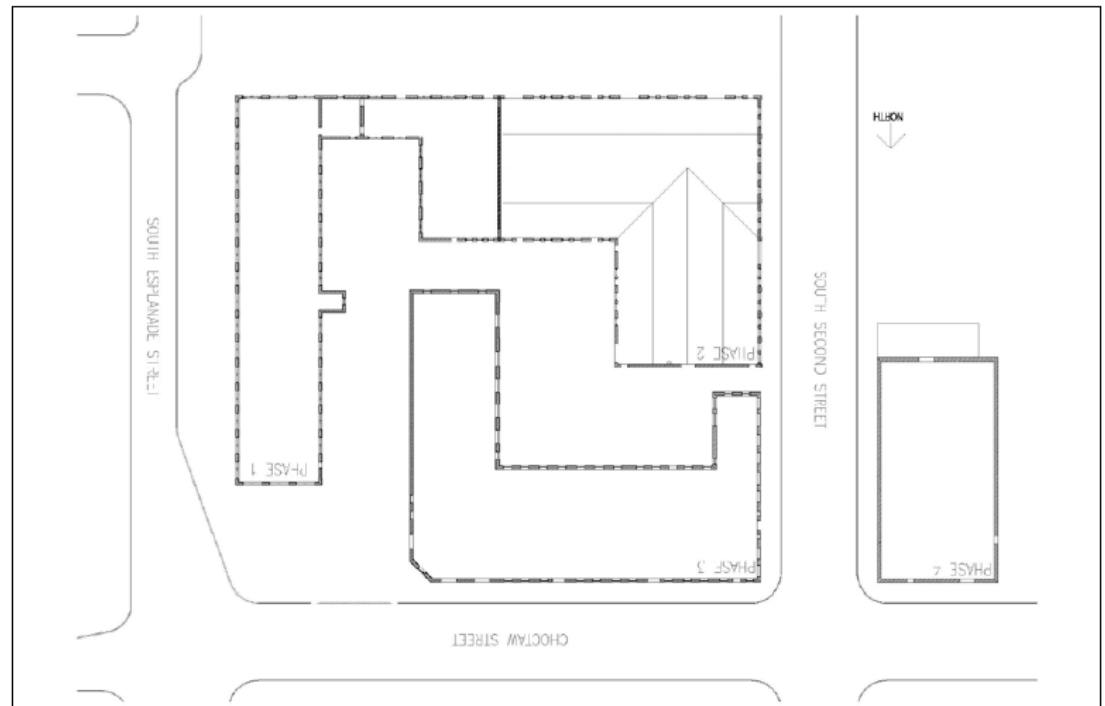
Part 3 – Certification of completed work. Must accompany photos of all completed work. Expenses are verified by the IRS and Kansas Department of Revenue.





Great Western Stove Company Leavenworth, KS

Development to
begin soon.



Main northwest facade



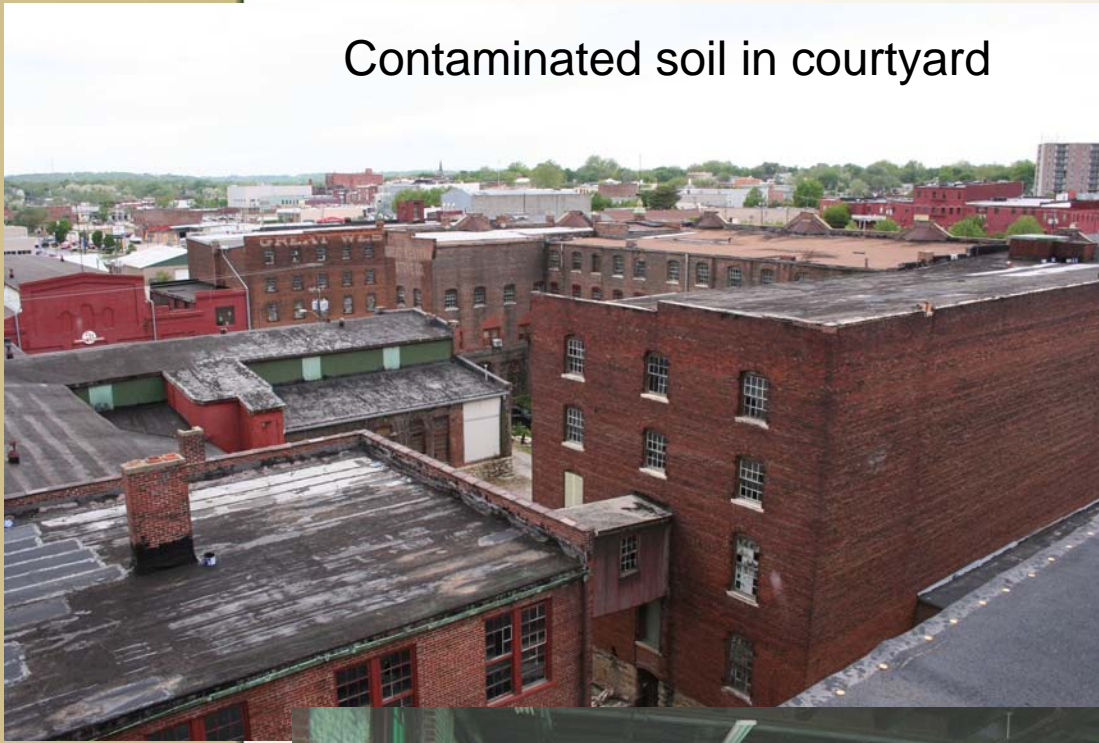
West Building



View from southeast



Contaminated soil in courtyard



Lead paint on remaining triple-hung windows

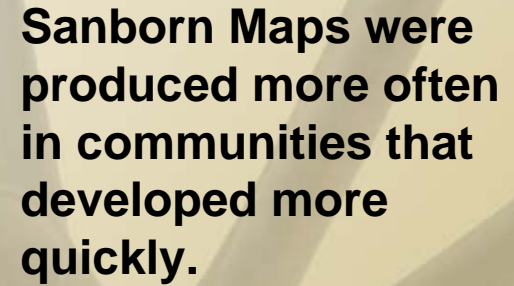


Example of interior spaces to become apartments, hotel rooms, and retails spaces.

All work must meet the Secretary of the Interior's *Standards for Rehabilitation.*

- Maintain the industrial character of the property while adding new features, mechanical systems, and finishes for the adaptive reuse. Maintain historically “finished” spaces such as offices and display rooms as finished spaces.
- Retain open structural systems, wooden floors, brick walls, windows, loading docks and doors, and other “industrial” features where possible – especially public spaces.
- Where it is not possible to repair and retain historic features due to deterioration - replace to match.
- Contamination is not generally reason enough to replace historic features such as windows. The feature must be deemed “beyond repair” and the replacement must match closely.





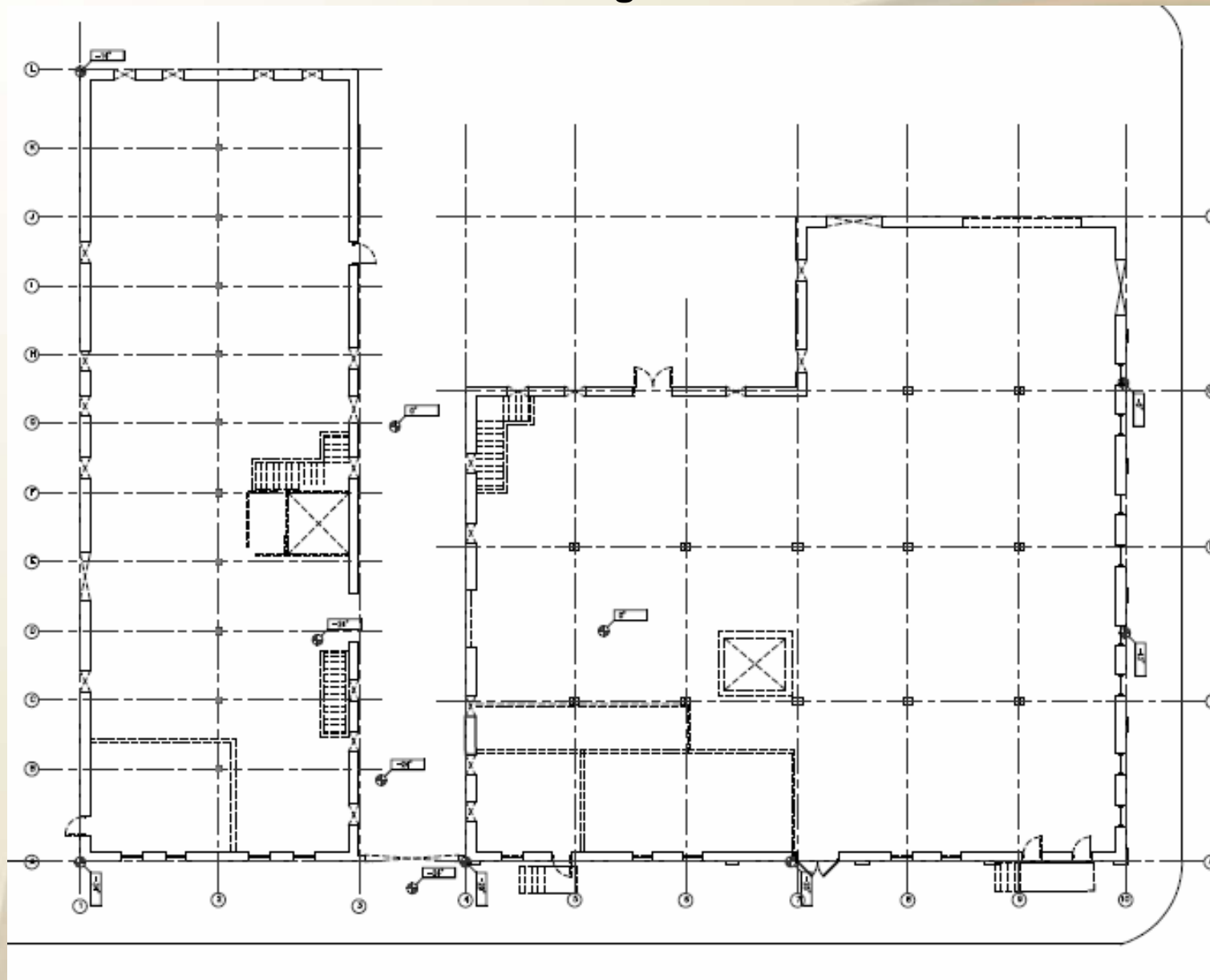
Abernathy Furniture
Company
Leavenworth, KS

Abernathy Furniture Company

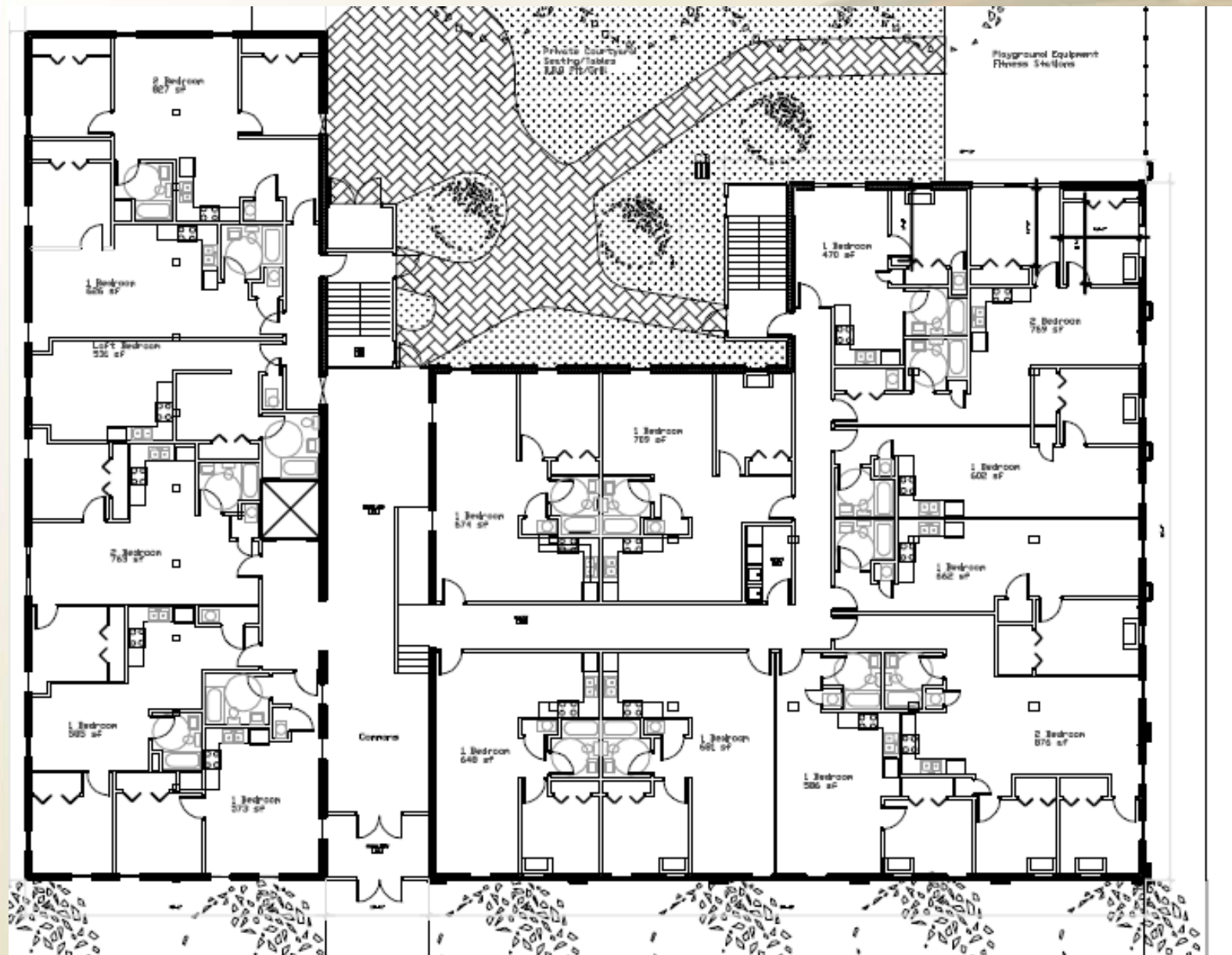
Rehabilitation for Senior Housing



Open floorplan typical of many warehouses and large industrial facilities



Apartments laid out on the grid pattern of the structural elements.





**Rear
Courtyard**

**Before &
After
Rehab**





**Typical condition
of interior brick
walls before rehab.**



**Brick walls and
exposed structural
elements retained
on interior at
public spaces.**





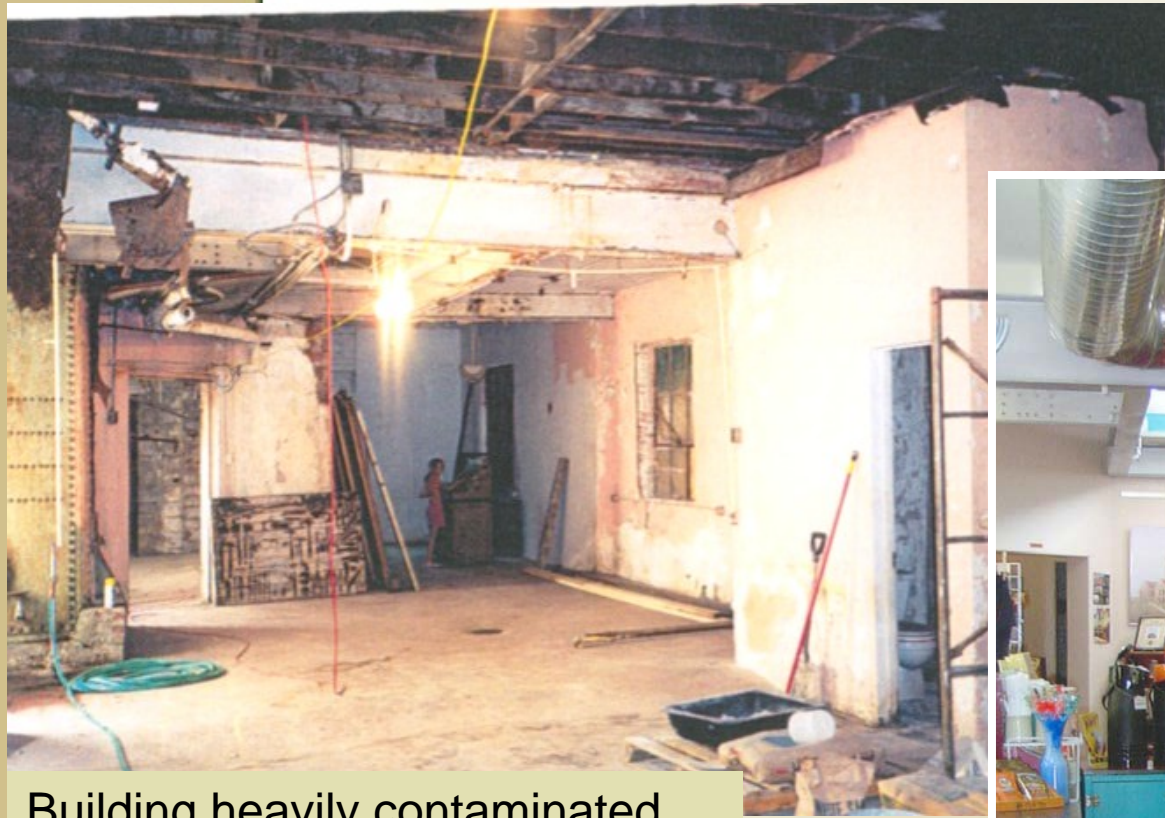
Apartments retain the high ceilings and open spaces that characterized the historic industrial space.



Pettit Cleaners – Winfield, KS



**Originally a blacksmith
– converted to a dry
cleaners in 1940s.**



Building heavily contaminated with cleaning chemicals as well as typical contaminants such as lead paint and asbestos.



Rehabilitation for coffee shop, gifts, and artist studios / classrooms.

City Hall Building

Kansas City, KS



**Building was vacant
for decades**





**Contaminants included
dead animals and
pigeon droppings.**





**Building rehabilitated
for use as apartments
and lofts.**

**Historic buildings
provide unique spaces**



**Including remaining
elements of the jail cells
in the “penthouse”.**



Heritage Trust Fund (HTF) grant

- Grants are **HIGHLY** competitive. Only about 25% of applicants receive some award. Applications for projects that preserve the building are most competitive (ex: roofs, foundations, windows, and exterior walls).
- Grants are awarded for 80% of project costs up to \$90,000. The remaining 20% must be a cash match. For-profit applicants must provide a 50/50 match.
- That match or anything over, paid “out-of-pocket” by the property owner, can count toward qualifying expenses for purposes of the tax incentives.
- Applicants must maintain ownership of the property for five years following completion.
- Grant deadlines are generally March 1st with a preliminary review in mid-January each year.
- Grant workshops are held each fall and winter. See our website for workshop locations and dates – www.kshs.org/resource/htfinfor.htm

